



Onsite Wastewater Assistance Program (OSWAP)

FY 2013 Annual Report

The onsite wastewater assistance program provides low interest loans to rural homeowners for the repair and replacement of their septic systems. Owners of existing homes without central sewer connections can get loans through local lenders at a 3% interest rate for a term of up to 10 years. This provides a low cost option for homeowners to replace septic systems that have failed. The program operates under the non-point source water protection part of the State Revolving Fund (SRF). The program is financially managed by the Iowa Finance Authority (IFA).

The OSWAP was created in 2001 as part of Iowa Code chapter 466, "*Initiative on Improving Our Watershed Attributes (I on IOWA)*". The administrative rules for the program, IAC567 – Chapter 93, "Nonpoint Source Pollution Control Set-Aside Programs", were most recently revised March 10, 2010. The passage of HF311 in the 2013 Legislative session will necessitate changes to Chapter 93. These changes will now allow a homeowner, who resides inside city limits but does not have a central sewer connection available, to utilize the loan program. HF311 also eliminates the requirement for this report. However, this information is always available from the Department, IFA and is included in SRF and 319 program reports.

In fiscal year 2013 the program issued 99 loans totaling \$839,618. Since the inception of the program, 1483 loans have been issued totaling \$11,334,418. The loan volume was down this year in part due to weather. Expecting the volume to return to previous year's numbers, \$1.6 million has been set aside for the program for FY2014. This amount can be increased if needed during the year.

The program has a simple operating procedure. The homeowner applies for a loan at a local participating lender and gets a construction permit for the septic system from the local county sanitarian. The lender enters the loan into the IFA website. An approval form is signed by the sanitarian when a permit is issued and when the final inspection is completed. A copy of this approval form and an invoice are provided to the DNR. The loan is then approved on the IFA website. IFA disburses funds to the local lender as a linked deposit, buying down the interest rate for the consumer. The lender completes the loan and the contractor is paid. The homeowner pays back the loan and the lender annually returns the principal amount to the SRF.

Questions about the onsite wastewater assistance program can be directed to;

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